

## **MEMORANDUM OF UNDERSTANDING**

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Dear \_\_\_\_\_ Dr. Cartwright \_\_\_\_\_

CTG is pleased to present you with this preliminary non-binding memorandum of understanding for a possible transaction relating to the matters set forth below.

This Memorandum of Understanding ("MOU") is effective as of January 7, 2014 ("Effective Date") and is between Computer Task Group, Inc. ("CTG"), a New York corporation with its principal office located at 800 Delaware Avenue, Buffalo, NY 14209 and The Research Foundation for the State University of New York ("Foundation"), on behalf of the University at Buffalo ("UB") of the State University of New York, with a principal address of 35 State Street, Albany and having a business address of 516 Capen Hall, Buffalo, NY 14260. CTG and Foundation are sometimes each referred to as a "Party" and together the "Parties".

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### **I. OVERVIEW**

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- 1.1. Under the leadership of Governor Andrew Cuomo, New York State has led the U.S. in multi-billion dollar strategic investments in high technology programs that cover the entire spectrum of clean energy, medical, smart grid and nanotechnology industry needs, from long-term innovative research and development, to workforce development and education, to product prototyping and commercialization.
- 1.2. Governor Andrew Cuomo's comprehensive job creation and economic growth agenda for New York State provides strategic investments for job creation in emerging high-tech industries across New York State and fosters critical partnerships between State government, the private sector and New York State's top-flight universities and research institutions, as demonstrated recently by the commitment and growth of UB, together with its public and private university and industry partners.
- 1.3. CTG is an international technology leader in IT and business solutions to the healthcare market.
- 1.4. CTG acknowledges that UB is a critical enabling component in maintaining and bolstering New York State's position as a leader in healthcare data analytics, and recognizes the mutual benefit that can be attained by: (i) collaborating with UB to bring to the State of New York new research, development, and business investments; and (ii) fostering critical partnerships among the Parties and the public and private sectors.
- 1.5. Foundation and UB further recognize CTG as a valuable collaborator and partner in the development and deployment of current and future life sciences innovations and solutions, including healthcare data analytics applications development and solutions.
- 1.6. The Parties intend to further build on their innovation, education, and commercialization skills and resources to further establish New York as the global hub for life sciences and medical industry products discovery, innovations, and deployment.
- 1.8. The Parties desire to explore making joint investments in the State of New York that focus on (i) research and development ("R&D"); and (ii) development of a sustainable asset through operationalization of healthcare data.
- 1.9. In view of the foregoing, the Parties will engage in good faith negotiations to execute the terms set forth below. As the Parties embark upon good faith negotiations, they wish to express their fundamental understanding of issues within this MOU. The Parties will take reasonable efforts to adhere to the terms of this MOU until such time as the critical issues therein are fully negotiated and documented in a final definitive contract ("Final Contract") signed by CTG and Foundation, on behalf of UB.

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## **II. OBJECTIVES**

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### **II.1. R&D, Business Outreach, and Economic Development Partnership**

The Parties intend to establish an R&D and business partnership and economic partnership agreement for:

- Creation of the largest, most comprehensive sustainable center in the world where clinical, genomic and reimbursement data come together as a focused community asset. This asset enables the private sector to operationalize the data to identify populations, improve care programs, foundation to reduce cost of care, improve outcomes, manage therapeutics, and enable next generation diagnostics.
- Designed sustainability as integral to the business model for continued operation and growth through the engaged business partners as the initial customer base.
- Development of an operational entity that leverages key assets across NYS to merge, normalize and secure multiple data sets (Electronic Health Records, Labs, Claims and Genomics) for use by private sector companies to promote economic development through innovation, big data analytics, and high throughput computing capacity and storage.
- Optimization of components: Super computer, large data storage, analytic software, data models, key integration, anonymization capability, data normalization capability, data research preparation, HIPAA Compliant data processing and storage.
- Engagement with private sector companies to drive data from data sources (hospitals, payers, government and individuals) to the big data center and utilize high tech capital assets for analytics and enable the clustering of new entities that provide new capital investment.

### **II.2. Goals of the Program**

CTG will utilize the following features of the Big Data Infrastructure:

- Data aggregation software from disparate data sources to common source – including clinical, claims and genomic data forms.
- Data Normalization software.
- Big Data repository Reference Information Model (RIM).
- Medical data model appropriate for CTG's use.
- Computing power.
- Disk Space 10 terra bytes.
- Use of the following medical informatics tools: Medical Outcomes Analytic Tools, Accountable Care Management Tools.
- A large patient database across at least 5 years.

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## **III. CTG OBLIGATIONS**

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Assuming that the Foundation: (i) creates a database in a format that CTG can use, (ii) populates such database with a reasonable amount of medical data, and (iii) meets the obligations set forth in section IV below, CTG will commit to working with Foundation and UB to establish a data analytics offering with the following obligations:

### **III.1. Investment Targets**

CTG commits to an investment target of [REDACTED] over the next [REDACTED] to ensure the successful establishment of CTG's data analytics offering.

### **III.2. Employment Targets and Workforce Development Training**

CTG commits to an employment goal of 300 NYS based jobs over the period of 5 years.

### **III.3. R&D Funding Targets**

CTG commits to work with Foundation, on behalf of UB, to identify additional sources of funding for R&D. Such funding will be generated from public and private funding sources.

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#### IV. FOUNDATION OBLIGATIONS

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##### IV.1. Foundation / New York State Funding

Foundation, on behalf of UB, commits to engage CTG as a vendor and contractor for a fixed fee of \$5.5 million for a license and IT services that will enable a big data infrastructure asset for WNY job creation. Specifically, CTG will be engaged to provide the items listed below:

i. Including:

1. Underlying CTG database structure with the CTG Reference Information Model (RIM) that enables clinical and claims data to be populated in the database.
  2. Services to operationalize the CTG database.
  3. Population of the CTG database with HEAL 10/17 data, assuming data owners do not unreasonably withhold consent, potentially encompassing 1.2 million patients of clinical and claims data encompassing 5 historical years.
  4. CTG Health Data Information Exchange Software necessary to acquire data and normalize for storage of merged clinical and claims data.
  5. CTG Anonymization Software for transformation into the database structure.
  6. Services to operationalize 1-5 above. For the CTG Health Data Information Exchange software and the CTG Anonymization Software, CTG will operationalize the 4 existing data feeds – specifically (IH, ECMC, HealthNow, and UB/MD) (subject to IH, ECMC, HealthNow, and UB/MD granting approval for such use of their data).
  7. Once the database is operational CTG will also as part of the above mentioned fee, provide \$33,000 per month worth of CTG consulting services from April 1, 2014 – December 31, 2014 to support commercialization efforts targeted at Pharmaceutical , Payers and Providers.
- ii. The core data asset provided by this scope of work will be usable by WNY companies on April 1, 2014 assuming a February 1, 2014 start date, assuming data owners do not unreasonably withhold consent.
  - iii. CTG needs this infrastructure available by April 1, 2014 in order to achieve job creation objectives. Foundation, on behalf of UB agrees to diligently review and approve installation of CTG software by April 1, 2014. In order to operationalize this infrastructure by April 1, 2014, CTG is willing to engage immediately at risk, and will enter into an agreement with Foundation, on behalf of UB to operationalize the scope of work contemplated in this document and agrees to receive reimbursement if and when Foundation, on behalf of UB receives reimbursement from the NYS. If in CTG's sole discretion, CTG determines that NYS funding is in doubt, then CTG has the right to terminate services at anytime.

##### IV.3. R&D Funding Targets

Foundation commits to work with CTG, on behalf of UB, to identify sources of funding for R&D. Such funding will be generated from public and private funding sources.

##### IV.4. Center for Computational Research (CCR) Institute for Healthcare Informatics (IHI) Capabilities

Foundation commits to establishing an asset, significant portions of which will be proved in IV.1, above that contains the following:

- Computing power.
- Foundation, on behalf of UB is responsible for providing a HIPAA compliant data center and environment.
- Adequate disk space to store data estimated at 10 terra bytes.

#### IV.5. Other

Foundation, on behalf of UB agrees to make CTG a preferred vendor in providing future services as this big data infrastructure evolves.

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### V. FUNDS

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V.1. Each Party shall be responsible for funding its own activities under this MOU. No funds of either Party are in any way committed or obligated for any purpose whatsoever by virtue of entering into this MOU. This MOU does not identify or require the transfer of funds between the Parties. This MOU shall not be construed to authorize or guarantee funding for any proposals submitted in response to any solicitation, nor shall it be construed as a guarantee of future funding nor shall this MOU be construed as an endorsement of any proposal submitted by any Party or non-Party. A Party's Program activity obligations under this MOU are contingent upon and subject to availability of such Party obtaining funding for such Party to carry out its Program activity obligations under this MOU.

V.2. Each Party shall bear its own costs and expenses (including those for its attorneys, accountants, bankers, advisers or other agents or representatives) incident to the preparation, negotiation, execution and innovation of this MOU and any agreement and the performance of its obligations hereunder. Each Party shall be responsible for all tax matters, issues or obligations related to the employment of its employees or agents or to the presence of its personal property in any taxing jurisdiction.

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### VI. FUNDRAISING

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The Parties agree to jointly seek funding from public and/or private entities, including federal and state governments and quasi-government agencies and organizations, foundations and private philanthropy and commercial interests, to support and finance job development and resources necessary to establish the state-of-the-art facilities necessary to facilitate job development and for the joint activities as outlined in this MOU. The Parties will consult with each other, in advance, prior to undertaking fundraising activities with third parties pursuant to their joint activities under this MOU.

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### VII. INTELLECTUAL PROPERTY

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Rights in intellectual property created under a separate agreements resulting from this MOU shall be determined in accordance with the terms of the separate agreement. No rights in any intellectual property are conveyed or granted by or under this MOU.

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### VIII. FINAL CONTRACT(S)

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The Parties agree and acknowledge that the precise terms and conditions associated with each activity within the Program and the corresponding use of facilities of the Parties will be governed by one or more Final Contracts that will be separately signed written agreements entered into by CTG and Foundation on behalf of UB that will detail the precise terms and conditions of such activities, including without limitation the mutually agreed upon rights and obligations of the Parties in regards to technology transfer and

intellectual property. The Parties acknowledge that entry into a Final Contract(s) may be subject to a multitude of material conditions precedent, including, but not limited to, each Party's review and approval; successful negotiation of an agreed set of terms and conditions and agreement on the details of the scope of work for joint projects; and successful negotiation of related agreements, if any.

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#### **IX. TERM AND TERMINATION**

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This MOU shall be effective for an initial term of three year(s) following the Effective Date (the "Term"), unless earlier terminated in accordance with this MOU. This MOU may be terminated by either Party upon 30 days' notice to the other Party. Any extension of the Term of this MOU must be mutually agreed upon as to terms in writing signed by the Parties.

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#### **X. PUBLICATION AND PUBLICITY**

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Press releases and any publicity or other communication or disclosure by any Party to a non-Party regarding this MOU, the relationship among the Parties, or the negotiation of the proposed Final Contract(s) must be approved by all Parties in writing prior to any such press release, public announcement or other disclosure, excluding any communication to another Party to this MOU or internal within any Party.

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#### **XI. CONFIDENTIAL INFORMATION**

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The Parties agree that confidentiality terms set forth in Schedule A shall govern confidentiality during the Term of this MOU.

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#### **XII. USE OF NAME**

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Nothing contained in this Agreement shall be construed as conferring any right to use in advertising, publicity or other promotional activities any name, trade name, trademark or other designation of either Party (including any contraction, abbreviation or simulation of any of the foregoing) without prior written permission.

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#### **XIII. NOTICE**

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All communications, notices and disclosures required or permitted by this Agreement shall be in writing, shall be provided to the other Party and shall be deemed to have been given at the earlier of the date when actually delivered to the other Party or when deposited in the United States mail, certified or registered mail, postage prepaid, return receipt requested, by hand innovation, by overnight courier service with signed receipt or by facsimile transmission (with written confirmation of receipt thereof), and addressed as follows, unless and until either Party notifies the other Party of a change of address:

To Foundation:

State University of New York Research Foundation
University at Buffalo
Caben 516
Buffalo, NY 14260
Alexander N. Cartwright, PhD, Operations Manager, SUNY Research Foundation
Attn:

To CTG:

800 Delaware Avenue

Buffalo, NY 14209  
Attn: James Boldt, Chairman and CEO

800 Delaware Avenue  
Buffalo, NY 14209  
Attn: Peter Radetich, Vice President, Secretary, General Counsel

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#### XIV. NO LIABILITY

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No Party shall make a claim against, or be liable to, any other Party or its affiliates or agents for any damages, including (without limitation) direct, incidental, consequential, special or indirect, punitive damages or lost profits or injury to business reputation, resulting from the continuation or abandonment of negotiations. A Party's undertaking to develop information or technology and/or acquire personnel or capital assets or other detrimental reliance in expectation of execution of a Final Contract(s) shall be at its own risk and such Party shall not make a claim against any other Party for any such reliance damages.

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#### XV. GOVERNING LAW AND JURISDICTION

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This MOU will be governed by and interpreted exclusively under the laws of the State of New York, without regard to its choice of law rules. The Parties will comply with all applicable federal, state and local laws and regulations with respect to this MOU. In case of any dispute concerning or arising out of this MOU that cannot be resolved by the Parties in good faith, such dispute shall be finally settled and venue shall be exclusively held in any appropriate state or federal court in the State of New York. Each Party consents to exclusive jurisdiction and venue of such courts.

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#### XVI. EXPORT CONTROL

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No Party will export or re-export the technology, commodities, or software (or the direct product thereof), directly or indirectly, to any countries to which such export is now or hereafter becomes illegal under U.S. export regulations if such Party is in the US or governed by US law or by the laws of any other governing administration.

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#### XVII. MISCELLANEOUS

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XVII.1 Any amendment or modification of this MOU shall be in a writing executed by both of the Parties.

XVII.2 This MOU may be signed in one or more counterparts, each of which shall be deemed to be an original and all of which when taken together shall constitute the same MOU. Any signed copy of this MOU made by photocopy, facsimile or Adobe PDF format shall be considered an original.

XVII.3 All agreements drafts, "term sheets", memoranda, if any, and other communications respecting the agreements or activities related thereto prepared or exchanged in the course of negotiations, even if signed by one or all Parties, shall be considered only preliminary and shall not be legally binding unless subsequently incorporated into an amended MOU or Final Contract.

XVII.4 This MOU represents the complete understanding between the Parties as it relates to the subject matter herein and supersedes any prior and contemporaneous communications, understandings or agreements, oral or written, between the parties as it relates to the subject matter.

CTG and FOUNDATION, ON BEHALF OF UB/ITICC acknowledge and understand that this memorandum of understanding shall be construed as a tangible indication of their mutual desire to proceed forward on a business transaction consistent with the terms and obligations generally outlined above. Notwithstanding the foregoing CTG and FOUNDATION, ON BEHALF OF UB/ITICC understand

and agree that this memorandum of understanding will create obligations on both parties with respect to the obligations regarding due diligence, confidentiality and the payment of professional fees. Except for those obligations imposed with respect to due diligence, confidentiality and the payment of professional fees, there shall be no binding obligation on the part of the CTG and FOUNDATION, ON BEHALF OF UB/ITICC under this memorandum of understanding until a definitive agreement covering the proposed transaction has been executed by the parties hereto.

IN WITNESS WHEREOF, each Party has caused this MOU to be signed by its duly authorized representative as follows:

COMPUTER TASK GROUP, INC.

Signature

James R. Boldt

Print Name

Chairman & CEO

Title

January 8, 2014

Date

THE RESEARCH FOUNDATION OF STATE  
UNIVERSITY OF NEW YORK, ON BEHALF  
OF UNIVERSITY AT BUFFALO

Alexander N. Cartwright

Signature

Alexander N. Cartwright

Print Name

Operations Manager

Title

January 8, 2014

Date

**Schedule A**  
**Confidentiality**

**MUTUAL NON-DISCLOSURE AGREEMENT**

**THIS AGREEMENT** is made effective this 7<sup>th</sup> day of January, 2014, by and between Computer Task Group, Inc. ("CTG"), including its subsidiaries and affiliates, having its principal place of business at 800 Delaware Avenue, Buffalo, New York 14209 and The Research Foundation for the State University of New York ("Foundation"), on behalf of the University at Buffalo ("UB") of the State University of New York, with a principal address of 35 State Street, Albany and having a business address of 516 Capen Hall, Buffalo, NY 14260.

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**RECITALS**

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**WHEREAS, THE PARTIES ARE DESIROUS OF ENGAGING IN DISCUSSIONS RELATING TO A POTENTIAL BUSINESS TRANSACTION; AND**

**WHEREAS, THE PARTIES CONSIDER ANY AND ALL DOCUMENTATION, RECORDS AND MATERIALS, WHETHER IN ORAL, WRITTEN, ELECTRONIC, PRINTED, GRAPHICAL OR VISUALLY PERCEPTIBLE FORM, DISCLOSED TO IN FURTHERANCE OF THIS AGREEMENT TO BE PROPRIETARY AND CONFIDENTIAL AND DO NOT WANT THEM DISCLOSED TO THIRD PARTIES.**

**NOW, THEREFORE IN CONSIDERATION** of the mutual covenants and conditions herein contained, the parties agree as follows:

1. For purposes of this Agreement, the party disclosing Confidential Information (as defined in Paragraph 2 below) shall be referred to as the "Disclosing Party" and the party receiving such Confidential Information shall be referred to as the "Receiving Party". Confidential Information includes information delivered directly to the Receiving Party by the Disclosing Party or indirectly through an agent of the Disclosing or Receiving Party. The Receiving Party agrees that they shall hold in confidence and shall not disclose any Confidential Information without the prior written authorization from a corporate officer of the Disclosing Party. The Receiving Party further agrees that they shall not utilize any Confidential Information for their own financial, development, manufacturing or marketing purposes nor use such Confidential Information for any purpose other than that contemplated by this Agreement. This obligation, however, shall not extend to any of the following:
  - A. Confidential Information which at the time of disclosure is in the public domain;
  - B. Confidential Information which after generation or disclosure is published or otherwise becomes part of the public domain through no fault of the Receiving Party (but only after and to the extent that it is published or otherwise becomes part of the public domain);
  - C. Confidential Information which the Receiving Party can show was in its possession at the time of generation or disclosure and was not acquired, directly or indirectly, from the Disclosing Party or from a third party under an obligation of confidence;
  - D. Confidential Information which was received after the time of generation or disclosure hereunder, from a third party who did not require that party to hold it in confidence and who did not acquire it, directly or indirectly, from the Disclosing Party under an obligation of confidence; and
  - E. Confidential Information which the Receiving Party can show was developed independently without benefit of, or based on information generated hereunder or made available by the Disclosing Party.
2. "Confidential Information" shall be deemed to include all of the following:

- A. the source and object code, computer programs and associated documentation, manuals, presentation material, marketing strategies, usage methodologies, and other printed, graphical or visually perceptible materials describing the use or design of software and strategic plans as well as any other information, in oral, written, electronic, graphical or visual form which is either provided to the Receiving Party and/or visually perceived by the Receiving Party; and
  - B. all information or data, whether in oral, written, graphical or visual form, and whether stored on media or electronically transmitted which relates to past, present, or future products, techniques, designs, or other technical data, trade secrets, information designated by patent and/or copyrights or trademark or servicemark, customer lists or other compilations for marketing or development, or regarding administrative, management, financial, marketing or manufacturing activities of the Disclosing Party.
3. The Receiving Party shall exercise such care in the protection of the Disclosing Party's Confidential Information as it exercises in the protection of its own confidential information.
  4. The Receiving Party agrees to use the Confidential Information received from the Disclosing Party only for the purpose of this Agreement. No other rights, and particularly licenses, trademarks, inventions, copyrights, patents, or any other intellectual property rights are implied or granted under this Agreement or by the conveying of Confidential Information.
  5. Confidential Information supplied is not to be reproduced in any form except as required to accomplish the intent of this Agreement.
  6. Rights and obligations of this Agreement shall be binding upon the heirs, assigns and successors of the Receiving Party.
  7. The Disclosing Party warrants that it has the right to disclose all Confidential Information which it will disclose to the Receiving Party pursuant to this Agreement, and the Disclosing Party agrees to indemnify and hold harmless the Receiving Party from all claims by a third party related to the wrongful disclosure of such third party's information. Otherwise, the Disclosing Party makes no representation or warranty, express or implied, with respect to any Confidential Information. The Disclosing Party is not liable for indirect, incidental, consequential, or punitive damages of any nature or kind resulting from or arising in connection with this Agreement.
  8. The parties acknowledge that the Receiving Party's unauthorized disclosure or use of Confidential Information may result in irreparable harm. Therefore, the Receiving Party agrees that, in the event of a breach or threatened breach of this Agreement, without limiting any other rights and remedies of the Disclosing Party, a temporary restraining order and/or an injunction to enjoin disclosure of Confidential Information may be sought against the Receiving Party and the Receiving Party agrees not raise the defense of an adequate remedy at law.
  9. All media releases and public announcements or disclosures by any party relating to this Agreement, its subject matter, or the purpose of this Agreement are to be coordinated with and consented to by the other parties in writing prior to the release or announcement.
  10. The disclosure of any Confidential Information is not intended to be interpreted that the parties have formed or will form a partnership, joint venture or other relationships. Any business relationship between the parties, if any, must be governed by separate agreement.
  11. The Receiving Party may not disclose Confidential Information, except as provided in this Agreement, for a period of three (3) years after the date of its disclosure to the Receiving Party. The Disclosing Party may make disclosures under this Agreement for a period of ninety (90) days from its effective date ("Term"). This Agreement may be terminated at any time during the Term by the Disclosing Party upon ten (10) days written notice to the Receiving Party; except that early termination of this Agreement will not relieve the Receiving Party of its obligations under this Agreement with respect to Confidential Information disclosed prior to the effective date of termination. All of the obligations undertaken by the Receiving Party will survive and continue after any termination of this Agreement.
  12. All Confidential Information, unless otherwise specified in writing, (a) remains the property of the Disclosing Party, and (b) must be used by the Receiving Party only for the purpose intended. Upon termination of this Agreement, all tangible copies of the Confidential Information, whether

recorded in written, electronic or graphical form and regardless of storage media, must be returned to the Disclosing Party. At the request of the Disclosing Party, the Receiving Party will furnish a certificate of an officer of the Receiving Party certifying that any Confidential Information not returned to Disclosing Party has been destroyed.

13. This Agreement shall be governed by the laws of the State of New York. For purposes of restricting the disclosure of the Confidential Information, this Agreement represents the entire understanding between the parties, and the terms of this Agreement supersede the terms of any prior agreements or understandings, written or oral. This Agreement may not be amended except in a writing signed by the parties. The provisions of this Agreement are to be considered as severable, and in the event that any provision is held to be invalid or unenforceable, the parties intend that the remaining provisions will remain in full force and effect. There are no third party beneficiaries to this Agreement. Failure by a party to enforce or exercise any provision, right or option contained in this Agreement will not be construed as a present or future waiver of such provision, right or option. **THE EXISTENCE OF THIS AGREEMENT AND THE NATURE OF THE DISCUSSIONS BETWEEN THE PARTIES MAY NOT BE DISCLOSED BY A PARTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE OTHER PARTY.**

COMPUTER TASK GROUP, INC.

James R. Boldt  
Signature

James R. Boldt

Print Name

Chairman & CEO

Title

January 8, 2014

Date

THE RESEARCH FOUNDATION OF STATE  
UNIVERSITY OF NEW YORK, ON BEHALF  
OF UNIVERSITY AT BUFFALO

Alex Cartwright

Signature

Alexander N. Cartwright

Print Name

Operations Manager

Title

January 8, 2014

Date